

# Ourdes Senior Community Boards

Tuesday, April 18, 2023, 10:30 p.m., LRHC Chapel

*Note: Includes Board of Directors for Ourdes, Inc., Fox Manor, Clausen Manor (Ourdes Alzheimer's Special Care Center), Joseph T. Mendelson Assisted Living Home (Ourdes Assisted Living), Dominican Health Care and Ourdes Campus Fund*

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## **BOARD MEMBERS PRESENT**

Richard Acho, President and CEO  
Sister Janice Bachman, OP  
Beth Cafaro (via Zoom)  
Brian Condit, Chair  
Linda Gifford  
Henrietta Juras, MD  
Steven Kastner (via Zoom)  
Msgr. Michael LeFevre (via Zoom)  
Lynne Lepisto-Golling, RN, MS  
Joseph Manuszak  
John Noone, Secretary/Treasurer  
Barbara Mendelson, Vice President (via Zoom)  
Sister Barbara Rund, OP

## **STAFF PRESENT**

Colleen Burke, Director, Clausen Manor  
David Krolikowski, Director, Finance  
Rebecca Latta, Director, Human Resources  
Robin McClintock, CTRS, CASP, Director, Fox Manor and Mendelson Home  
Maureen McGee, Administrator, Ourdes Rehabilitation and Healthcare Center  
Jason Mize, Director, Plant Operations  
Wendy Mosella, Director, Development and Marketing

## **GUESTS**

Larry Kearney, Plante Moran  
Jamie Timoteo, Plante Moran

## **EXCUSED**

Sister Peggy Martin, OP

## **CALL TO ORDER**

The meeting was called together at 10:30 a.m. by Mr. Condit. A full quorum was present.

## **OPENING PRAYER**

The leadership team led the group in prayer.

## **REVIEW OBJECTIVES AND AGENDA**

Mr. Condit reviewed the objectives and agenda for the day. Larry Kearney and Jamie Timoteo of Plante Moran Living Forward were guests facilitating the retreat portion of the meeting.

## **INDUSTRY TRENDS**

Larry Kearney and Jamie Timoteo reviewed the current senior living industry trends including the evolution of senior living, the state of the senior living industry, master planning, and future demographic trends. Rules of thumb that should be analyzed in the context of the market and financial analyses include a minimum of three independent living units for every 1 assisted living and memory care unit, along with 8 independent living, assisted living, and memory care units for every 1 nursing home bed. Much of the existing senior housing units are more than 25 years old. A master plan should be updated and reevaluated every 5 years. The master plan should have a clear vision for the future, use land efficiently, collaborate with stakeholders, ensure future viability, and be designed with the needs of the resident in mind for the quality of life. The decision that older adults make on where to live is based on being able to live close to an adult child, the value of the senior community, the experience that is offered, and the simplicity to understand exactly what they will get for their money. The average age at move-in for independent living is 81, assisted living is 84, and memory care is 82. The average length of stay in independent living is three years, in assisted living is just over two years, and in memory care is two years.

## **MARKET STUDY**

Jamie Timoteo reviewed the results of the market study performed by Plante Moran. The study recommends the addition of independent living units based on the first baby boomers turning 80 in 2026. Additional independent living units would help to balance the currently heavy number of nursing home beds. The number of people utilizing nursing home services is decreasing across the US due to the desire to remain at home, decreasing

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hospitalization rates, decreasing lengths of stay in nursing homes, and staffing shortages. The suggested repositioning plan would add a 40-unit independent living apartment building as well as 22 duplex/triplex style cottages to the Ourdes' campus.

The study looked at seniors over the age of 75 with an income of at least \$84K per year. The results show the market supports the LSC proposed independent living project of 72 units. A summary of proposed monthly fees and current fees offered by LRHC and competitors was reviewed and compared to the entrance fee option. There are currently no entrance fee communities in the Ourdes market area. It will be important to test the consumer's willingness to pay an entrance fee through direct consumer research. An entrance fee tends to attract seniors who plan to make the senior community their home as they age through the different stages of life. Preliminary drawings show the potential for 22 duplex and triplex cottages and a 40-unit apartment building.

The meeting broke for lunch and resumed after 30 minutes.

Construction estimated and projected cost assumptions were reviewed. It was noted that a dining room was not included in the overview of the 40-unit apartment building, nor was there a chapel. Residents in the new building would have the opportunity to dine at Fox Manor. A covered walkway would connect the new building to Fox Manor. The total projected construction cost for the apartment building and the cottages is \$26.6 million. The consolidated stabilized net cash flow is projected to be \$612K. Operating results listing four scenarios of different assumptions were reviewed.

The Board members and staff broke out into groups to discuss the pros and cons of the market study and proposed construction project. The pros include the importance of moving forward with more independent living, Ourdes's financial strength, minimal staffing needed for independent living, meeting the future needs of the baby boomers, right sizes the community, helping to generate future cash flow, enhancing Ourdes's strong reputation, possible opportunity to expand to another location, the project can be done in phases over time, and the opportunity to add amenities for residents. The cons include the fact that there was no mention of other business opportunities in the master plan, the cottages do not generate revenue as the apartment building does, there was no mention of the amenities that seniors are looking for now, and the entrance fee may be confusing to potential residents.

The master plan should include utilizing Marian Hall at LRHC, utilizing the campus property efficiently without adding duplicative amenity spaces, while making sure that the housing options are attractive and affordable. Larry Kearney and Jamie Tomoteo left the meeting.

## **VISION STATEMENT**

The Governance and Nominating Committee presented three updated vision statements via Survey Monkey to the Board members for their selection. The preferred option was "Ourdes' vision is to be the most trusted senior living service community in Michigan by providing comprehensive and individualized care to residents we serve by treating each person with compassion, respect, and dignity in a faith-filled environment". It was suggested that we say SE Michigan rather than Michigan. A vision statement is something to aspire to be and since Ourdes is already the most trusted in SE Michigan, all of Michigan is something to aspire to. A member suggested removing the word service that is currently before the word community. The consensus was to strike the word service, fix the grammar, and leave the remaining portion of the statement as is.

## **COMMITTEE REPORTS ON STRATEGIC IMPERATIVES**

Updates to the strategic imperatives that were originally set at the 2022 retreat were presented by each Committee Chair. John Noone and David Krolkowski spoke to the Finance Committee imperatives. The technology

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assessment was prepared by Rich Acho. The spend is looking to be about \$550K spread over the next three years. Grants to cover technology for our residents may be available. As for the forward-looking financial proforma, two five-year projections were developed. The most optimistic approach at the time of development now seems quite attainable. The proforma has developed a financial baseline for the future. The insurer contract and relationship strategy requires a continuous look at other managed care payers. LRHC is negotiating a pay increase with one of the payers. The physical plant needs inventory was updated with a projected spend of \$2.05 million over the next ten years.

The Human Resource Committee reported that staffing has greatly improved with many open shifts being filled. The Committee is meeting in the second week of May to review the recent employee survey. This will be reported at the August Board meeting. A large poster will be placed in the breakrooms for staff to spend a few minutes coloring to destress. Statistically 210K jobs were lost in healthcare during the pandemic with a 13% decline in the nursing home workforce. Lourdes has begun the process to hire international nurses.

The Philanthropy Committee and the Development office will be mailing an appeal to the lapsed donors identified in Donor Perfect. Additional grants will be applied for. Planned giving events will be held. Regina Mayes is a great representative for Lourdes and has expanded her marketing efforts outside of the community. The website is being managed by a new company using a different platform, but the look will be the same. Lourdes Senior Community is now on Instagram along with Facebook. A senior living magazine was developed for Lourdes Senior Community as a marketing tool.

The Quality Resident Care Committee dove into the star ratings of local home health care providers in January. It was refreshed in March with little change. The Committee has begun looking at the transition of care from the hospital to Lourdes. Residents arriving at Lourdes are met by nursing, therapy, and social services to inform LRHC on the best way to help the resident move forward. A baseline care plan is developed within 48 hours and presented to the resident and family. An assessment of the services and support available to the resident once they are discharged to home. Within 7-10 days a second care conference is held to discuss a discharge plan. Ideally, LRHC would like to offer an evaluation to the resident once they have been discharged home to ensure that doctor's appointments have been made, home health care is checking in with the resident, and prescriptions are available if necessary. This could help prevent a hospital readmission.

The leadership team was excused. Steven Kastner and Barbara Mendelson left the meeting at 2:50 p.m.

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## **EXECUTIVE SESSION**

### **DOMINICAN SISTERS OF PEACE**

Mr. Condit and Mr. Acho met with the Dominican Sisters of Peace General Council members to review Ourdes' annual report. The recommendations of the DSoP for the coming year included developing a multi-year strategic action plan, continuing the succession planning, and seeking opportunities to include the Dominican charism initiative in the Board orientation materials.

The Dominican Sisters' 200th anniversary concluded with a celebration in Kentucky on April 15.

### **REPORT OF THE CHAIR**

Mr. Condit reported that the HR Committee has continued to address succession planning. Mrs. Cafaro agreed, noting that the CEO and Development Director positions were filled. The Director of Nursing plans to retire in November. A search has begun for her position. The clinical manager is stepping down to become a contingent nurse. LRHC is actively searching for an assistant director of nursing who will eventually step into the DON position. The director of Clausen Manor has committed to retiring in May 2024.

Mr. Condit commented on the quality of the material that was presented by Plante Moran in the morning session. A summary of the comments will be compiled to assist in the master plan. Mrs. Gifford highly recommends starting to foster relationships with the independent living facilities that do not have skilled nursing to make LRHC the rehab of choice for their residents.

The Governance and Nominating Committee have identified three individuals who are interested in serving as a member of the LSC Board. The individuals will be presented to the Board in August.

The Board discussed the c.arius infection that has been found in a nursing home in Michigan. LRHC has had no known infections.

### **REPORT OF THE CHIEF EXECUTIVE OFFICER**

On March 13, Mr. Acho and the attorney for LSC went to the township to appeal the property tax on Mendelson Home, Clausen Manor, and the maintenance building. Mr. Acho received notice last week that the township denied the appeal and further dispute must be taken up with the tax tribunal. The appeal to the tax tribunal must be applied for by the end of May.

LSC has hired a new therapy company to handle physical, occupational, and speech therapy for residents. The new company will begin on July 1.

The insurance billing is being brought back in-house rather than being outsourced. This will take effect on June 1.

Mr. Acho is moving forward with the licensing processes for LSC to become a life-plan community. This is a licensed CCRC. Becoming licensed allows for a portion of the property taxes to be exempt. This will be beneficial if the appeal to the tax tribunal does not get approved. One of the caveats with the state to become a licensed CCRC is that the organization must offer an entrance fee model to renters.

Mr. Condit asked about extending the non-available bed plan. The plan can be extended one more time for six months. After that time, if the facility chooses to continue to have those beds unavailable, they must be put up for one year. The timing and options for the unavailable bed plans will be laid out at the next meeting. Mr. Acho has

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begun conversations with Angela Hospice to see if the company would be interested in renting the space. Sr. Barbara noted that Senior Clergy Village which is run by the Felician Sisters is in need of more beds for priests.

Currently, LHRC has an agreement with Trinity Health to share the financial impact of a Trinity patient should they be discharged to LRHC but not become authorized for stay by their managed care. The cost of the SNF care would be split 50/50.

An update to the master plan of what was presented by Plante Moran at this meeting will be given at the August meeting.

## CONSENT AGENDA

- Meeting minutes of February 7, 2023
- Management reports
- Committee reports
- Testimonials

**MOTION: SR. BARBARA RUND, OP, MADE A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED. DR. HENRIETTA JURAS SECONDED. ALL IN FAVOR. MOTION CARRIED.**

## ADJOURNMENT

The meeting adjourned at 3:45 p.m.



Brian Condit, Board Chair



Debi Batchelder, Recorder

